

# Marion County Coroner's Office Internal Audit Report

Audited Entity: The Marion County Coroner's Office (PA -2019-05) Final Report Audit Work Completed: August 2019

# **Table of Contents**

EXECUTIVE SUMMARY	1
INTRODUCTION	2
AUDIT OBJECTIVE, SCOPE, AND METHODOLOGY	2
BACKGROUND	3
MARION COUNTY CORONER'S OFFICE AUDIT FINDINGS AND RECOMMENDATIONS:	6
MONTHLY VEHICLE MILEAGE LOG MAINTENANCE	6
Finding	
Criteria	
Recommendation	
Management Response	
SIGNED VEHICLE USE AGREEMENT (VUA)	
Finding	
Criteria	
Recommendation	
Management Response	
Non-Computation of Fringe Benefit - Take Home Vehicle	
Finding	
Criteria	
Recommendation	
Management Response	
COLLECT EMPLOYEE PROOF OF VEHICLE INSURANCE AND VALID DRIVER'S LICENSE - ANNUALLY	
Finding	
Criteria	
Recommendation	
Management Response	
GIFTS AND ENDORSEMENTS LIMITATION POLICY CONFLICT	
Finding	
Criteria	
Recommendation	
Management Response	
CELL PHONE USAGE AUTHORIZATION	
Finding	
Criteria	
Management Response	
Untimely Submission of Decedents Unclaimed Property to Treasurer	
Finding	
Criteria	
Recommendation	
Management Response	
FIXED AND CAPITAL (CONTROLLED) ASSET INVENTORY	
Finding	
Criteria	
Recommendation	
Management Response	

MARION COUNTY CORONER'S OFFICE DEPUTY CORONER CONTINUE EDUCATION UNIT REQUIREMENTS	14
Finding	
Criteria	
Recommendation	
Management Response	
MILEAGE REIMBURSEMENT AND CITY-COUNTY VEHICLE ACCESS	
Finding	
Criteria	15
Recommendation	15
Management Response	15
CLOTHING ALLOWANCE ALLOCATION INCLUDED CELL PHONE REIMBURSEMENT	16
Finding	
Criteria	16
Recommendation	16
Management Response	16
OBSERVATIONS AND DISCUSSION ITEMS	
OBSERVATIONS AND DISCUSSION IT EIVIS	17
Marion County Coroner's Office Facility	17
Marion County Coroner's Office Facility      Cash Returned to the Decedents' Next of Kin	17 17
<ul> <li>MARION COUNTY CORONER'S OFFICE FACILITY</li> <li>CASH RETURNED TO THE DECEDENTS' NEXT OF KIN</li> <li>DECEDENT CASH NOT MONITORED/VERIFIED</li> </ul>	17 17
<ul> <li>MARION COUNTY CORONER'S OFFICE FACILITY</li> <li>CASH RETURNED TO THE DECEDENTS' NEXT OF KIN</li> <li>DECEDENT CASH NOT MONITORED/VERIFIED</li> <li>MCCO STAFF REIMBURSEMENT —</li> </ul>	17 17 17
<ul> <li>MARION COUNTY CORONER'S OFFICE FACILITY</li> <li>CASH RETURNED TO THE DECEDENTS' NEXT OF KIN</li> <li>DECEDENT CASH NOT MONITORED/VERIFIED</li> <li>MCCO STAFF REIMBURSEMENT –</li> <li>FLUCTUATIONS IN ESTABLISHED EXPENDITURE THRESHOLDS APPROVAL AMOUNTS</li> </ul>	17 17 18
<ul> <li>MARION COUNTY CORONER'S OFFICE FACILITY</li> <li>CASH RETURNED TO THE DECEDENTS' NEXT OF KIN</li> <li>DECEDENT CASH NOT MONITORED/VERIFIED</li> <li>MCCO STAFF REIMBURSEMENT —</li> <li>FLUCTUATIONS IN ESTABLISHED EXPENDITURE THRESHOLDS APPROVAL AMOUNTS.</li> <li>PROFESSIONAL SERVICE CONTRACTS INSURANCE EXTENSION VERIFICATION.</li> </ul>	17 17 18 18
<ul> <li>MARION COUNTY CORONER'S OFFICE FACILITY</li> <li>CASH RETURNED TO THE DECEDENTS' NEXT OF KIN</li> <li>DECEDENT CASH NOT MONITORED/VERIFIED</li> <li>MCCO STAFF REIMBURSEMENT —</li> <li>FLUCTUATIONS IN ESTABLISHED EXPENDITURE THRESHOLDS APPROVAL AMOUNTS.</li> <li>PROFESSIONAL SERVICE CONTRACTS INSURANCE EXTENSION VERIFICATION.</li> <li>COMPLIANCE WITH PROJECTED BUDGET</li> </ul>	17 17 18 18 18
<ul> <li>MARION COUNTY CORONER'S OFFICE FACILITY</li> <li>CASH RETURNED TO THE DECEDENTS' NEXT OF KIN</li> <li>DECEDENT CASH NOT MONITORED/VERIFIED</li> <li>MCCO STAFF REIMBURSEMENT —</li> <li>FLUCTUATIONS IN ESTABLISHED EXPENDITURE THRESHOLDS APPROVAL AMOUNTS.</li> <li>PROFESSIONAL SERVICE CONTRACTS INSURANCE EXTENSION VERIFICATION</li> <li>COMPLIANCE WITH PROJECTED BUDGET</li> <li>VOUCHERS USED IN ABSENCE OF A CONTRACT</li> </ul>	17 17 18 18 18
<ul> <li>MARION COUNTY CORONER'S OFFICE FACILITY</li> <li>CASH RETURNED TO THE DECEDENTS' NEXT OF KIN</li> <li>DECEDENT CASH NOT MONITORED/VERIFIED</li> <li>MCCO STAFF REIMBURSEMENT —</li> <li>FLUCTUATIONS IN ESTABLISHED EXPENDITURE THRESHOLDS APPROVAL AMOUNTS.</li> <li>PROFESSIONAL SERVICE CONTRACTS INSURANCE EXTENSION VERIFICATION.</li> <li>COMPLIANCE WITH PROJECTED BUDGET</li> <li>VOUCHERS USED IN ABSENCE OF A CONTRACT</li> <li>FIXED ASSETS INVENTORY PROCEDURES</li> </ul>	17 17 18 18 18 19
<ul> <li>MARION COUNTY CORONER'S OFFICE FACILITY</li> <li>CASH RETURNED TO THE DECEDENTS' NEXT OF KIN</li> <li>DECEDENT CASH NOT MONITORED/VERIFIED</li> <li>MCCO STAFF REIMBURSEMENT —</li> <li>FLUCTUATIONS IN ESTABLISHED EXPENDITURE THRESHOLDS APPROVAL AMOUNTS.</li> <li>PROFESSIONAL SERVICE CONTRACTS INSURANCE EXTENSION VERIFICATION.</li> <li>COMPLIANCE WITH PROJECTED BUDGET</li> <li>VOUCHERS USED IN ABSENCE OF A CONTRACT</li> <li>FIXED ASSETS INVENTORY PROCEDURES</li> <li>STORAGE OF DECEDENTS HISTORICAL FILES</li> </ul>	17 17 18 18 18 19
<ul> <li>MARION COUNTY CORONER'S OFFICE FACILITY</li> <li>CASH RETURNED TO THE DECEDENTS' NEXT OF KIN</li> <li>DECEDENT CASH NOT MONITORED/VERIFIED</li> <li>MCCO STAFF REIMBURSEMENT —</li> <li>FLUCTUATIONS IN ESTABLISHED EXPENDITURE THRESHOLDS APPROVAL AMOUNTS.</li> <li>PROFESSIONAL SERVICE CONTRACTS INSURANCE EXTENSION VERIFICATION.</li> <li>COMPLIANCE WITH PROJECTED BUDGET</li> <li>VOUCHERS USED IN ABSENCE OF A CONTRACT</li> <li>FIXED ASSETS INVENTORY PROCEDURES</li> </ul>	17 17 18 18 18 19 19



# **EXECUTIVE SUMMARY**

#### WHY WE DID THIS AUDIT

This audit was initiated by special request and deemed necessary by the Director of the Office of Audit and Performance (OAP).

#### **BACKGROUND SUMMARY**

The Marion County Coroner is an elected County Officer as established in the Indiana Constitution, with duties and responsibilities defined in Indiana Code (IC) 36-2-14. The Marion County Coroner's Office (MCCO) is the main investigatory agency into unnatural deaths. The Coroner also performs a vital role in organ and tissue procurement.

According to statistical information outlined in the MCCO 2018 Annual Report, the Coroner's Office accepted 1,980 Coroner cases, investigated 3,020 deaths and performed 1,247 completed examinations.

#### **OBJECTIVES AND SCOPE SUMMARY**

The objective of this engagement is to provide management with reasonable assurances that MCCO activities covered in this audit are valid; properly approved; adequately documented; and compliant with City-County policies and applicable laws and regulations. The scope of the audit was limited to administrative activities that occurred during the period January 1, 2016 through June 30, 2018.

The key objectives of the audit were to evaluate sufficiency of internal controls regarding:

- Performance and Financial Records
- Physical Assets
- Contractual Agreements
- Statutory Duties
- Contract Compliance
- Monthly Reporting Process

#### WHAT WE FOUND

The audit identified two repeat findings. They are: 1) Not collecting proof of employee vehicle insurance and verification of a valid driver's license; and 2) Incomplete fixed asset inventory listing.

The audit also identified instances in which employees received mileage reimbursement for travel while performing City-County business during a time when they also had access to City-County vehicles - The appropriate documentation was not maintained by MCCO management to suggest otherwise. Three (3) MCCO employees did not meet the required continuing education requirements. Three (3) MCCO employees with City-County cell phones also received reimbursement for personal cell phones through the annual clothing /uniform allowance. Insufficient supporting documentation and internal controls governing the handling of decedents' property. Noncompliance with City-County policy. MCCO Policies and Procedures Manual contained inaccurate and/or outdated information.

#### WHAT WE RECCOMMEND

- Review the MCCO Policies and Procedures Manual, at least annually.
- Monitor progress to ensure staff meets continuing education requirements and ensure that supporting documents are properly maintained and easily accessible.
- Verify that all employees who drive a City-County vehicle in performance of City-County functions maintain a valid driver's license and vehicle insurance as appropriate.
- Document decedents' property in the system of record and submit all unclaimed decedent property to the County Treasurer's Office at least annually; routinely monitor and reconcile unclaimed cash to the system of record.
- Enforce City-County policy related to mileage tracking and authorization of cell phones and vehicle use.
- Adhere to City-County policy and protocol in managing the fixed asset inventory.
- Establish clear criteria for determining the annual uniform allowance allocation amount.

#### INTRODUCTION

Pursuant to the Revised Code of the Consolidated City and County Sec. 202-303, OAP has conducted an internal review of the Marion County Coroner's Office (MCCO). The audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). These standards require that OAP plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions and based on our audit objectives. The control and procedural deficiencies considered to be significant are disclosed herein. Any perceived weaknesses or findings reported by external agencies are not disclosed in this report.

#### **AUDIT OBJECTIVE, SCOPE, AND METHODOLOGY**

In addition to performing routine audits, OAP may be asked to perform an audit specifically designed to focus on certain areas or functions that are of concern. While planning the MCCO audit, which covers the period January 1, 2016 through June 30, 2018, OAP was asked to focus on contracts, employee mileage reimbursement, cell phone allowance, uniform allowance methodology, and payroll/benefit pay.

The purpose of this engagement is to provide management with reasonable assurance that activities reviewed are effective and to evaluate if these activities are compliant with the City of Indianapolis – Marion County (City-County) policy, established procedures and applicable laws and regulations. Key objectives of the audit were to evaluate (A) professional service contractual agreements; (B) statutory duties; (C) budgeting process; (D) financial management (E) recordkeeping required by relevant policies and procedures); (F) staffing resources; (G) best practices; and (H) physical assets during the period of the review.

Primary evidence gathering techniques included: 1) interviewing key individuals; 2) reviewing and analyzing relevant documentation; 3) evaluating controls in place during the review period; 4) sampling various transactions; 5) reviewing the Coroner's accreditation report and requirements; 6) reviewing performance reports; 7) researching and reviewing state and local codes and other relevant regulations; 8) reviewing certification support and requirements; 9) reviewing and reassessing physical assets inventory; and 10) surveying MCCO vendors and contractors. Test work involved collecting random samples of transactions to determine validity, approvals, and completeness of the transactions. The results of a recently conducted City-County Culture Assessment survey were also analyzed.

The City-County Culture Assessment, which included MCCO, also included an employee survey that was issued in 2017. The MCCO survey was analyzed to determine if any of the information that was shared anonymously by MCCO staff correlated to findings identified in this report and/or other areas of concern. The survey results noted issues relating to lack of advancement, lack of involvement in decision making by management and 33% of MCCO staff felt the decisions were not made timely. Similar results were reported enterprise-wide. In addition, 45% of MCCO staff felt employees working in the same unit/department did not work as a team. Yet, 100% felt their jobs gave them a sense of satisfaction. These themes did not surface in OAP's interaction with MCCO staff contacted during the engagement.

In the review of MCCO operations, OAP collected and analyzed data to:

- 1. Determine if MCCO was compliant with the primary terms of contractual agreements.
  - a. Reviewed ten (10) contractual agreements for compliance with City-County policy, which included determining whether required insurance coverage was being maintained throughout the life of the contract.
  - b. Discussed the internal controls process with management and the Office of Finance and Management's (OFM) Purchasing Division, then sampled transactions associated with selected contracts.
- 2. Determine if MCCO was compliant with its accreditation by analyzing documents associated with MCCO accreditation, which was performed by a third-party, the National Association of Medical Examiners.

- 3. Determine if MCCO was compliant with its proposed annual budget by comparing budgeted amounts with actual expenditures for potential anomalies.
- 4. Determine if MCCO was compliant with its internal controls, as outlined in MCCO Policies and Procedures Manual, as well as various City-County policies, and if sufficient controls were in place.
  - a. Reviewed various policies and procedures manuals including: City-County Fleet Policies and Procedures Manual; OFM's Purchasing Manual; other OFM Policies and Procedures; City-County Employee Manual; and MCCO Policies and Procedures Manual. OAP then observed various processes for compliance including safeguarding of files, decedents' assets, reimbursement approval process, fringe benefit calculations, and segregation of duties.
  - b. Analyzed various documents, including 70 invoice samples associated with contractual payments, and 19 routine expense payments samples. OAP also analyzed payroll and non-payroll transactions such as employee clothing allowance disbursements, including the criteria or methodology used to determine the reasonableness of the amounts disbursed to each employee.
- 5. Determine if MCCO was compliant with City-County fixed asset inventory requirements.
  - a. Observed management performing the fixed asset inventory count and analysis.
  - b. Re-performed the fixed asset analysis results using ending inventory balances from the prior audit.
- 6. Determine if MCCO was compliant with applicable state and local laws and regulations.
  - a. Reviewed various Indiana statutes governing County Coroners and Treasurers.
  - b. Analyzed various documents associated with MCCO staff including required continuing education units and continuing medical education for all applicable staff.
  - c. Observed various processes for compliance such as: handling of decedents' property; decedents' medication disposal; and MCCO reporting requirements.
- 7. Determine if there were any irregularities associated with MCCO employee reimbursements.
  - a. Performed testing associated with reimbursement by analyzing samples containing mileage and cell phone reimbursements.
  - b. Determined if employees received mileage reimbursement and maintained a City-County vehicle.
  - c. Determined if MCCO employees received cell phone reimbursement while having access to a City-County cell phone.
  - d. Reviewed the reimbursement approval process to determine if MCCO management complied with City-County policy.

Areas identified as non-conformance are listed in the Findings and Recommendations Section of this report.

#### **BACKGROUND**

MCCO is mandated by the Indiana Administrative Code (IAC) Title 207 and Indiana Code (IC) Title 36, Article 2, and Chapter 14 to complete a thorough professional medicolegal investigation into all deaths related to homicides, suicides, accidents, violence, or those in an apparently suspicious, unusual, or unnatural manner. The Coroner is an elected County official under the Indiana Constitution.

The Coroner, in some instances, may be associated in some manner with the Sheriff's Department. This is in accordance with IC 36-2-14-4 which states, the County Coroner may, in situations specifically defined in the Indiana Code, also be required to perform the County Sheriff duties. During the audit period, the Marion County Coroner was not required to perform the duties of County Sheriff. The current Coroner was elected to office in 2016 and the term of office under Article 6, Section 2 of the Constitution of the State of Indiana is four (4) years and will continue until a successor is elected and qualified.

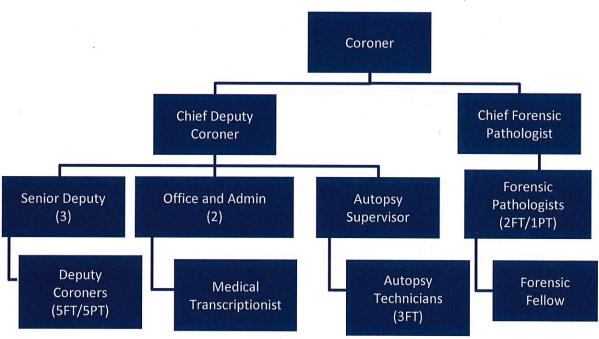
To become certified as a Coroner or Deputy Coroner, the Indiana State Coroner Training Board requires the Coroner and all Deputy Coroners to complete at least 40 hours of Continuing Education Units (CEU). They must also complete at least eight (8) hours of Continuing Education Units annually, following their initial certifications. According to the American Board of Pathology, pathologists who received their certification after 2006 are

required to complete 70 hours of Continuing Medical Education (CME) Training every two years, of which 20 hours must be Self-Assessment Modules (SAMs). This requirement is optional for a Pathologist who received certification prior to 2006.

Pursuant to Indiana law, County Coroners are required to timely provide certain information or reports, including issuance of a Death Certificate and autopsy completion report. The MCCO Annual Report reflects the number of autopsies completed in a year and the cause of each death. Potential Causes include: homicide; suicide; motor vehicle accident; death due to natural cause; and those undetermined. This information is used by various agencies on an annual basis in compliance with the Model State Vital Statistics Act and Regulation of the U.S. Department of Health and Human Services.

Under the direct supervision of the Chief Deputy Coroner, the Administrative and Investigative divisions work with law enforcement agencies and the public to ensure the appropriate information is shared in a timely manner, general inquiries are addressed, and the appointed Deputy Coroners conduct timely death investigations. MCCO's 2018 annual budget was \$2,953,494. For the audit review period, MCCO employed 2 full-time forensic trained resident Pathologists, who work under the supervision of a physician certified by the American Board of Pathology (Chief Forensic Pathologist); 1 Chief Deputy Coroner; 5 full-time Deputy Coroners; and 4 full-time Autopsy Technicians, in addition to the Coroner and other administrative staff. The full-time staff is supplemented by part time employees as indicated in the chart below.

# MARION COUNTY CORONER'S OFFICE ORGANIZATIONAL CHART (2017-2018)



In 2017, the longstanding relationship between MCCO and Biblica/Dogs, LLC ended abruptly. Biblica/Dogs, LLC, through a City-County contract, provided MCCO with certified Pathologists, to meet the requirements in performing autopsies for the Coroner. When Biblica/Dogs, LLC's contract ended and was not renewed, the MCCO was forced to seek similar relationships with other independent Forensic Pathologists; however, MCCO did not realize the same level of success. This was, in part, due to complexities with professional services contract requirements for City-County vendors. MCCO was responsible for recruiting and interviewing Pathologists and other related service providers. To ensure compliance with the City-County new contractor policy, all professional services contract negotiations involve the Office of Corporation Counsel.

Under the Biblica/Dogs, LLC, contract, Pathologists were covered for medical malpractice and general liability insurance. They also had health insurance and other fringe benefits. The Biblica/Dogs contract was terminated and under a new independent contract with MCCO, Pathologists were required to maintain the above described insurance under their names, or the names of their company. The financial cost of these insurance requirements alone caused candidates for the Pathologist positions to reconsider future contracts with MCCO.

According to MCCO management, the office faced challenges resulting from a lack of skilled professionals in this line of work. An article found in the Death Investigator Magazine, written by Mattie Quinn in August of 2018 stated, "there are currently only 500 board-certified forensic pathologists in the U.S., which is less than half of what the National Association of Medical Examiners recommends." According to the article, this is due to low pay and long hours. To address the inability to attract and retain competent or qualified staff, MCCO has elected to outsource certain functions, which includes toxicology and histology testing; body removal to and from MCCO; and body fluid and waste removal. This process serves to ensure that these critical functions are continually being performed by professionals in the field of post-mortem maintenance.

Prior to outsourcing these functions, the Coroner is required to initiate a contractual agreement with the applicable vendor or contractor. In doing so, the office must comply with City-County professional service vendor and contractor requirements. This includes selecting the appropriate procurement method and adherence to the steps identified by the OFM Purchasing Division to ensure that the contractor due diligence process is performed in a timely manner, insurance coverage requirements are met, and once the contract is signed, the insurance coverage stays in force for the duration or life of the contract.

The identified findings or non-conformity to procedures, policy and/or regulations along with MCCO management responses are provided in this report. However, management responses to findings and/or observations, where the internal controls are not under the direct control or authority of MCCO are listed in this report as "City-County" were provided by OFM in a separate document: Attachment 1 – City-County Related. This is in accordance with Indiana Code § 5-11-1-27; the City-County has adopted an Internal Controls Policy, that charges the Controller and OFM with the duties listed below:

- conveying periodic messages to all City-County employees on the Internal Controls Policy;
- evaluating the City-County's internal control system for weaknesses on a periodic (but no less frequently than annual) basis;
- instituting procedures to address violations of policies and consequences for violations;
- establishing and maintaining a system of internal controls that satisfies ... [City-County] departments,
  offices and agencies comply with policy, plans, procedures, laws and regulations... [as well as] operations
  and programs are managed to meet the established objectives and goals;
- work with departments, agencies and employees who handle financial transactions to recommend and ensure best practices;
- all procedures are in writing and communicated frequently to all relevant employees;
- policies are available both electronically and in hard copy form;

# Marion County Coroner's Office Audit Findings and Recommendations:

Monthly Vehicle Mileage Log Maintenance			
Finding	Monthly Vehicle Mileage Logs are not maintained by MCCO staff with City-County vehicle access.	1	
Criteria	According to the City-County Fleet Policies and Procedures Manual, each City-County employee with access to a City-County vehicle is required to complete a Monthly Vehicle Mileage Log. When signing the Application for Assignment of a Fleet Vehicle, it states: "Furthermore, I agree to keep an accurate record of all mileage by recording them on the mileage log sheet." By signing the Application for Assignment, the user acknowledges he or she will maintain the Monthly Vehicle Mileage log.		
Recomme	endation		

MCCO should establish internal control procedures that will ensure compliance with the City-County Fleet Policies and Procedures Manual by having required employees complete the Monthly Vehicle Mileage Log and submit it in a timely manner to both MCCO management as well as the Department of Public Works (DPW) Fleet Manager. The MCCO Policies and Procedures Manual should be thoroughly reviewed at least annually, and properly updated to reflect current City-County fleet policy requirements. The audit revealed that the Coroner's staff had usage of at least eight (8) City-County vehicles, yet the Fleet Services Applications for Assignment had not been completed for any of those vehicles. OAP also recommends that the City-County enhance its vehicle use procedures to ensure the appropriate records are on file and this information is periodically authenticated.

When updating MCCO Policies and Procedures, it is a best practice for MCCO management to request copies of the most current policy and procedure manuals from the appropriate issuing agency, office or department. These manuals should be reviewed for potential changes that could impact the effectiveness of daily operations. This is especially pertinent to policies relating to City-County property access and employee related reimbursements. This process will serve to ensure that management is not enforcing a policy that is no longer in effect and it helps to establish inter-departmental relationships.

In addition, the City-County enterprise should consider enhancing its means of communicating pertinent information impacting City-County employees. Examples of methods include those that require employees to acknowledge electronically that they have both received and read the appropriate City-County manual and/or the updated policy. The system would then note the date of the acknowledgement. Another example is an electronic community Bulletin Board on which pertinent City-County policy changes are posted for one year. Employees would be required to periodically review this board.

#### **Management Response**

Upon notification of the finding by OAP, MCCO requested and received a copy of the City of Indianapolis Fleet Policies and Procedures Manual. On April 22, 2019, a copy of the Fleet Policies and Procedures Manual was provided to all MCCO employees who drive County vehicles. All MCCO staff who are assigned a take home vehicle now complete a monthly mileage log in accordance with the Fleet Policies and Procedures Manual. The MCCO Policies and Procedures Manual will be updated to reflect the procedures required by the Fleet Policies and Procedures Manual during the 4th Quarter of 2019 with an anticipated completion date by December 31, 2019. The MCCO Policies and Procedure Manual will be reviewed annually for required internal updates and newly implemented policy changes by City-County.

Signed Ve	ehicle Use Agreement (VUA)	Number
Finding	A signed Vehicle Use Agreement (VUA) is not being maintained by MCCO for staff with City-County vehicle access.	2
Criteria	According to the City-County Fleet Policies and Procedures Manual, each City-County employee with access to a City-County vehicle is required to complete a VUA. Once the completed and signed VUA is approved, the assigned employee or user is formally authorized to drive a City-County vehicle. By signing the VUA, the employee acknowledges that he or she has read and understood the Fleet Policies and Procedures Manual. The Fleet Policies and Procedures Manual states that "All vehicle operators must sign and submit completed VUAs to their department/agency fleet manager for approval prior to operating a City-County vehicle". Once reviewed, the VUA is forwarded to the Department of Public Works Fleet Services (DPW FS) Division and the Indianapolis Metropolitan Police Department (IMPD). All vehicle operators who use City-County vehicles are required to have their driving records reviewed annually.  Note: Notifications are sent annually to all City-County employees, by email, reflecting City-County required take-home vehicle information.	
Recomm	endation endation	

MCCO should establish procedures to ensure staff are compliant with City-County VUA Policy. The MCCO Policies and Procedures Manual should be thoroughly reviewed at least annually, and properly updated to reflect current policy requirements.

The City-County should enhance its vehicle use procedures to ensure the appropriate records are on file and this information is periodically authenticated.

#### **Management Response**

Upon notification of the finding by OAP, MCCO requested and received a copy of the City-County Fleet Policies and Procedures Manual. On April 22, 2019, a copy of this manual was provided to all MCCO employees who drive county vehicles. Further, as of May 1, 2019, there are signed VUAs on file for all MCCO employees with access to county vehicles. The MCCO Policies and Procedures Manual will be updated during the 4th quarter of 2019 to reflect procedures required to complete the VUA. Once the MCCO Policies and Procedures Manual has been updated to reflect all required remediation internal controls enhancements, the MCCO Policies and Procedures Manual will be reviewed annually for required internal updates and newly implemented policy changes by City-County. Also, MCCO did receive an email in May and November of 2018 to update the mileage form. However, the VUA was not included in that email.

# Non-Computation of Fringe Benefit - Take Home Vehicle

Number 3

**Finding** 

MCCO staff with access to City-County vehicles are not computing the value of their "fringe benefits", associated with personal use of a take home City-County vehicle. Fringe benefit or personal use, refers to the miles driven from home to work each day. As a result, the value of the fringe benefit is not being reported on the respective employee's W-2 as required by the Internal Revenue Service (IRS) for City-County employees with access to City-County vehicles, even if that access is for business use only.

Criteria

According to the City-County Fleet Policies and Procedures Manual, each City-County employee with access to a City-County vehicle is responsible for compliance with the IRS and Indiana Department of Revenue requirements relating to commuting use of a City-County vehicle and fringe benefits valuation. "For employees that are not government control employees and who are required to take home a vehicle that is not a qualified non-personal use vehicle, the value of the fringe benefits to be included in the employee's wages shall be calculated using the IRS commuting value rule. The value of the fringe benefit will be calculated by multiplying the number of one-way commutes in the year by \$1.50. This means for a round trip, a total of \$3.00 per mile will be assessed daily".

"For all other employees, the value of the fringe benefits to be included in the employee's wages shall be calculated using the IRS cents-per-mile and automobile lease value rules. These methods apply to all government control employees or to any employee whose use of the vehicle does not qualify under the vehicle commute rule. Under the cents-per-mile rule, the value of the fringe benefit will be calculated by multiplying the standard mileage rate published in IRS Publication 15-B by the number of non-business miles of the vehicle".

Employees are required to maintain the number of miles driven to and from work (home to work and work to home). Once calculated, the amount is submitted to OFM's Human Resource Division for inclusion in the employees' wages.

Note: The Internal Revenue Service Publication 15-B 2019 relating to Fringe Benefits also state, if the amount is De Minimus (typically \$25.00 or less), the amount may not be recognized on the employee's wages.

#### Recommendation

MCCO should establish internal control procedures that will ensure employees with take home vehicles are computing the value of their fringe benefit and submitting this information to the Marion County Auditor's Office payroll division monthly, and in a timely manner in accordance with City-County Policy. The MCCO Policies and Procedures Manual should be thoroughly reviewed at least annually, and properly updated to reflect current policy requirements.

The City-County enterprise should enhance its internal control procedures to include some form of monitoring designed to ensure employees with access to take home vehicles are complying with IRS 15-B.

#### **Management Response**

Upon notification of the finding by OAP, MCCO requested and received a copy of the City of Indianapolis Fleet Policies and Procedures Manual. On April 22, 2019, a copy of Fleet Policies and Procedures Manual was provided to all MCCO employees who drive county vehicles. The MCCO Policy and Procedures Manual was updated to reflect Fleet's commuting/take-home vehicles and fringe benefits requirement as of May 1, 2019. However, to ensure the most effective and efficient internal control governing the calculation of fringe benefits is implemented, further analysis and research is required to properly remediate this finding. MCCO will determine the appropriate remediation process prior to December 31, 2019. In addition, the MCCO Policies and Procedures Manual will be updated to reflect all required remediation internal controls enhancements and will be reviewed annually for required internal updates and newly implemented policy changes by City-County.

# Collect Employee Proof of Vehicle Insurance and Valid Driver's License - Annually

Number 4

**Finding** 

Valid driver's license verification support and proof of vehicle insurance were not collected from employees who make use of a City-County vehicle and/or drive their personal vehicles to perform City-County business and not maintained by MCCO management on an annual basis as required.

Criteria

The MCCO Policies and Procedures Manual requires employees driving City-County Vehicles and/or their personal vehicles have insurance and their driver's license validated annually. According to the MCCO Policies and Procedures Manual, verification of insurance is required when requesting gas and/or mileage reimbursement. In addition, for mileage reimbursement, all employees must have valid Indiana driver's licenses and meet the City-County requirements for vehicle insurance. According to the MCCO Policies and Procedures Manual, City-County policy dictates that employees have insurance coverage at or above prescribed levels to be reimbursed for gas mileage. It further states that, on a yearly basis, the MCCO Office Manager will collect proof of insurance as documentation that these requirements are being met. Note: The Fleet Policies and Procedures Manual states that "All vehicle operators who use City-County vehicles will have their driving records reviewed annually by DPW FS and IMPD. It is the vehicle operator's responsibility to immediately notify the supervisor and department/agency fleet manager of any changes or updates in his or her driving record".

#### Recommendation

Because this is a repeat finding, OAP strongly suggests that MCCO management establish internal control procedures that will ensure the appropriate documentation is collected and analyzed in accordance with the City-County manual as well as its own. The process should include an established timeframe to complete the assessment.

Routine, scheduled reviews of the MCCO Policies and Procedures Manual should also be performed. MCCO management should consider establishing a timeline during which both management and staff can review the MCCO manual in its entirety at least annually for relevant updates. Full staff involvement serves to ensure that written procedures that are not aligned with daily activity can be quickly identified. It is also an opportunity to remind MCCO staff of the importance of complying with stated policies and procedures. It is always a good practice to review certain policies prior to requesting and/or approving employee reimbursements or access to City-County property.

All aspects of the departments operations should be clearly documented in an up-to-date policies and procedures manual.

#### **Management Response**

Upon notification of the finding by OAP, MCCO requested and received a copy of the City-County Fleet Policies and Procedures Manual. During the 4th quarter of 2019, the MCCO Policies and Procedures Manual will be updated to state all vehicle operators who use City-County vehicles will have their driving records reviewed annually by the Department of Public Works Fleet Services and Indianapolis Metropolitan Police Department; and it is the vehicle operator's responsibility to immediately notify the supervisor and department/agency fleet manager of any changes or updates in their driving record. MCCO will enforce its existing policy of collecting evidence of vehicle insurance and valid driver's license for MCCO employees who drive their personal vehicles.

Once the MCCO Policies and Procedures Manual is updated to reflect all required remediation internal controls enhancements, the MCCO Policies and Procedures Manual will be reviewed annually for required internal updates and newly implemented policy changes by City-County.

#### **Gifts and Endorsements Limitation Policy Conflict**

Number 5

#### **Finding**

The MCCO Policies and Procedures Manual, regarding Gifts and Endorsements, (dollar restriction/limitation), conflicts with City of Indianapolis Marion County Employee Manual restrictions. The City-County Employee Manual states that "Any gift should not exceed \$25.00, and total gifts for the year should not exceed \$100.00". However, the MCCO policy states any gift should not exceed \$50.00.

#### Criteria

MCCO Policies and Procedures Manual – restriction is listed as 1.) Having an estimated monetary value of less than \$50.00 can be accepted, if made available for general staff and visitors, and intended as gratitude or good will for MCCO. No such gift can be accepted if the individual or company providing the gift can in any way influence MCCO service or contracting procedures. MCCO will not reciprocate in any gift giving. 2.) No gift with an estimated monetary value of greater than \$50.00 will be accepted under any circumstances.

City-County Employee Manual: Gifts valued over \$25.00 are prohibited and no employee should accept gifts totaling more than \$100.00 in any one calendar year from a person who has a business relationship with the employee's agency or who is seeking to influence an action by the employee in his or her official capacity.

#### Recommendation

MCCO should revise its written procedures related to gifts to ensure compliance with the City-County Employee Manual. The MCCO Policies and Procedures Manual should be reviewed in its entirety at least annually and compared to the City-County Employee Manual for potential conflicts and/or omissions. MCCO management should stress to MCCO staff the importance of reviewing both manuals and staying abreast of the contents of each manual.

#### **Management Response**

On July 1, 2019, the MCCO Policies and Procedures Manual was revised to state any gift should not exceed \$25.00, and total gifts for the year should not exceed \$100.00 in accordance with City-County Employee Manual. The MCCO Policies and Procedures Manual will be updated during the 4th quarter of 2019 to reflect the revised gift limitation procedures.

Once the MCCO Policies and Procedures Manual is updated to reflect all required remediation internal controls enhancements, the MCCO Policies and Procedures Manual will be reviewed annually for required internal updates and newly implemented policy changes by City-County.

Cell Phor	ne Usage Authorization	Number
Finding	Cell phone usage approval documentation was not being completed and maintained in compliance with City-County Cellular Phone Issuance and Allowance Policy.	6
Criteria	In 2013, OFM revised its cell phone internal control procedure, requiring an employee to submit a cell phone use request form before receiving access to a City-County phone.	

#### Recommendation

OAP recommends that: 1) MCCO establish internal control procedures that will ensure compliance with City-County Cellular Phone Issuance and Allowance Policy. The process should include a means of ensuring MCCO management is aware of all pertinent City-County policy changes, especially those that relate to usage of City-County property and employee reimbursement. The process should also include timely MCCO staff notification. Management should stress to staff the importance of reviewing both procedure manuals; and 2) City-County should consider enhancing its existing cell phone authorization procedures to ensure instances of non-conformance to City-County Cellular Phone Issuance and Allowance Policy are quickly identified and that critical policy changes are communicated more effectively.

#### **Management Response**

On March 30, 2019, the MCCO Policies and Procedures Manual was revised to comply with the cell phone use policy from the OFM. During the same period, all MCCO staff with access to a City-County cell phone signed Cellular Phone Acceptable Use Forms and the signed documents were also remitted to OFM.

The MCCO Policies and Procedures Manual will be updated during the 4th quarter of 2019 to reflect the revised cell phone acceptable use procedures. Once the MCCO Policies and Procedures Manual is updated to reflect all required remediation internal controls enhancements, the MCCO Policies and Procedures Manual will be reviewed annually for required internal updates and newly implemented policy changes by City-County. All changes made to the MCCO Policies and Procedures Manual will be communicated to all office staff in a timely manner and compliance monitored by the MCCO Quality Assurance Deputy.

# Untimely Submission of Decedents Unclaimed Property to Treasurer and/or Sheriff

Number 7

**Finding** 

Decedents' unclaimed property, which includes cash, jewelry, clothing, and other personal belongings, were not transferred to the Marion County Treasurer and/or Sheriff on an annual basis during the audit period, 2016, 2017, and 2018 as required.

Criteria

The MCCO Policies and Procedures Manual states that unclaimed property is transferred to the Marion County Treasurer/Auditor on an annual basis in accordance with Indiana State law. Further, IC 36-2-10-22 states that: "If the county coroner finds money and does not deliver it to the treasurer, as required by IC 36-2-14-11, the treasurer shall, in the county treasurer's own name, bring a civil action against the coroner to collect it. IC 36-2-14-11 provides procedures for a coroner to follow regarding the property or money of a deceased person found with the body or at the scene. Those procedures address: taking possession of it; publication of unclaimed items; searching for persons entitled to the same; and, if it remains unclaimed, delivery of the money, to the county treasurer, and personal property, to the sheriff.

#### Recommendation

MCCO should strictly enforce its policy and procedures manual and establish internal control procedures that will ensure staff submit all unclaimed property to the County Treasurer and/or Sheriff as stipulated above in IC 36-2-14-11, no less than semi-annually. However, a best practice is to submit the decedents unclaimed property, especially cash, at least quarterly as appropriate.

A document containing the amount of cash and a full description of the items submitted should be provided to the County Treasurer's Office for review and signature. The transfer of property document should be dated and signed, evidencing receipt of all items as stated. The transfer of property document should be imaged and maintained in the MCCO system of records. A copy should also be maintained by the County Treasurer.

#### **Management Response**

MCCO confirms the personal property of decedents, which was later determined to be unclaimed, was not transferred to the County Treasurer and/or Sheriff during the audit period of 2016, 2017, and 2018. Following the OAP finding, MCCO determined the policy on page 123 of the MCCO Policy and Procedures Manual incorrectly cited a legal obligation to turn over unclaimed property on an annual basis. MCCO agrees with OAP recommendations to establish an internal control procedure which will ensure staff submit all unclaimed property to the County Treasurer and/or Sheriff on a semi-annual basis, pending the case meets the legal requirements found in Indiana State Law under IC-36-2-14-11.

The MCCO Policies and Procedures Manual will be updated during the 4th quarter of 2019 to reflect the revised unclaimed property disposal and/or turn over procedures. Once the MCCO Policies and Procedures Manual is updated to reflect all required remediation internal controls enhancements, the MCCO Policies and Procedures Manual will be reviewed annually for required internal updates and newly implemented policy changes by City-County. The new Quality Assurance Deputy will be tasked with addressing the three (3) years of backlogged property.

Fixed and	l Capital (controlled) Asset Inventory	Number
Finding	MCCO, when performing its current Fixed and Capital Asset Inventory, identified 4 fixed assets that could not be located. However, the analysis performed by OAP revealed that management had not taken into consideration the 17 fixed assets identified during the 2014 audit that were not found, were never formerly removed prior to 2019, and are still listed as Fixed Assets in inventory. No evidence was provided to support that management formally requested these assets be removed from the fixed asset inventory maintained by the City-County Fixed Asset Analyst.	8
Criteria	Fixed Assets are to be inventoried based on policy, which could be verbal and/or written (every 4 years), and items that are no longer in use should be removed by submitting an electronic request to the Fixed Asset Analyst, indicating the item(s) are to be discarded and removed from the list, along with a brief explanation. In addition, items that are purchased should be submitted electronically and added to the Fixed Asset Listing.	
D		

This is a repeat finding. MCCO management should immediately enhance its fixed asset inventory procedures to include a complete listing of all items to be inventoried. This can be achieved by using the last audited inventory listing, which includes items identified as missing or obsolete. Items identified as "Not Found" should be removed by submitting the required documentation to the Fixed Asset Analyst, along with an explanation indicating why the items were to be removed. An asset may be found but if it is obsolete, and has no value, it should not be reflected on the Fixed Asset listing. These items should be physically discarded and removed from the building when applicable and should not appear on the inventory listing unless the asset is found and is in good condition. Note: On May 9, 2019, management submitted to the OFM Fixed Asset Analyst, an Asset Disposal Form containing all the missing fixed assets referenced above. OAP also received a copy of this Form on the same date.

This finding will be considered closed upon formal receipt of MCCO updated procedures.

#### **Management Response**

Upon notification of the finding by OAP, MCCO began to take immediate action to address the finding as of April 23, 2019. During the 2014 audit, MCCO was not provided a copy of the fixed asset listing by OAP. MCCO believes this oversight by OAP contributed to the repeat finding. MCCO agrees with OAP that an effective internal control is needed to determined items within the office which are found to be missing or obsolete. MCCO, based on recommendations from OAP, completed the necessary disposal forms which were then submitted to the City-County Fixed Asset Analyst on April 23, 2019 and to OAP on May 9, 2019.

The MCCO Policies and Procedures Manual will be updated during the 4th quarter of 2019 to reflect a revised policy in the inventory and reporting of fixed assets within the office. Once the MCCO Policies and Procedures Manual is updated to reflect all required remediation internal controls enhancements, the MCCO Policies and Procedures Manual will be reviewed annually for required internal updates and newly implemented policy changes by City-County.

# Marion County Coroner's Office Deputy Coroner Continue Education Unit Requirements

Number

9

# **Finding**

The audit revealed that three (3) MCCO Deputy Coroners have not met their respective CEU requirements; at least two (2) Deputy Coroners had CEU hours remaining from 2015. MCCO's current internal control procedures are insufficient to ensure each Deputy Coroner meets his/her CEU requirements. The current process includes reliance on each Deputy Coroner to complete certain CEU training requirements in a timely manner and once completed, submit the appropriate completion documentation to the Indiana State Coroner's Training Board in a timely manner. However, MCCO management is not always provided a copy of this evidence.

Currently, MCCO management does not routinely identify the respective Deputy Coroner CEU requirements, remind the Deputy Coroners of their relevant requirements, or monitor the status of CEU training requirements collectively to ensure timely compliance by all applicable staff and all supporting documentation is not maintained in an easily accessible location.

# Criteria

In compliance with IC 36-2-14-22.3, The Coroner and all Deputy Coroners are required to complete at least forty (40) hours of continued education units to become certified. Once certified, the annual training course must include: 1) at least eight (8) hours of instruction; and 2) cover recent developments in A) death investigation; B) crime scenes; and C) preservation of evidence at a crime scene for police and crime lab technicians.

#### Recommendation

MCCO should establish internal control procedures to ensure timely completion of required CEU training. This should include routine or quarterly reviews; maintaining copies of certificates either in hard copy form or electronically; maintaining a checklist of due dates for each candidate; submitting reminders regarding outstanding hours remaining; and maintaining evidence in an easily accessible location that shows each requirement was met in a timely manner.

## **Management Response**

MCCO agrees with the OAP findings and the need for MCCO to establish internal control procedures to ensure timely completion of required continued education units training. MCCO has a new Quality Assurance Deputy who will be assigned the task of developing a more effective and efficient internal control process governing the collection and monitoring of Deputy Coroner CEUs. MCCO will incorporate a notification method for deficiencies in the necessary CEUs and ensure obtaining/completion of required CEUs by deputies. MCCO will determine the appropriate remediation process prior to December 31, 2019.

Once the MCCO Policies and Procedures Manual is updated to reflect all required remediation internal controls enhancements, the MCCO Policies and Procedures Manual will be reviewed annually for required internal updates and staff will be informed in a timely manner of the updated policy and procedure.

Mileage I	Reimbursement and City-County Vehicle Access	Number		
Finding	Certain MCCO employees were provided a City-County vehicle at various times during the review period. These same individuals also requested and received mileage reimbursement. Senior management at MCCO approved the respective mileage reimbursement request in PeopleSoft without clearly indicating why these individuals were entitled to receive mileage reimbursement while maintaining access to a City-County Vehicle. Evidence showing the City-County vehicle was undergoing maintenance or that the vehicle was being used by another employee was not provided to OAP during the audit. If MCCO management had maintained this type of written explanation with the reimbursement request, this would have allowed OAP to conclude the approvals were justified.			
Criteria	City-County employees with City-County vehicle access are not allowed both vehicle access and mileage reimbursement during the same period.  Note: DPW Fleet Services provides fuel and vehicle maintenance for Fleet owned vehicles.			

#### Recommendation

Management should establish internal controls to ensure employees with City-County vehicles are adhering to the City-County Fleet Policies and Procedures Manual. Also, management should maintain the appropriate employee vehicle use documentation (when vehicle was assigned for use and returned). This provides the justification for approving mileage reimbursement for individuals with City-County vehicle access. OAP cannot emphasize enough the importance of maintaining adequate supporting documentation. The supporting documentation should include the appropriate authorization and detail necessary to provide clarity for the reader and should be attached to the reimbursement request. In addition, the City-County Fleet Policies and Procedures Manual should be required reading for each employee granted City-County-vehicle access.

The total mileage reimbursement amount paid to MCCO employees with City-County vehicle access during the audit period was \$7,643.63 (in 2016; \$ 3,028.71; 2017 \$ 3,063.04; and 2018 \$ 1,551.88).

#### **Management Response**

MCCO agrees with the OAP finding. To ensure the most effective and efficient internal control governing mileage reimbursement is implemented, further analysis and research is required to properly remediate this finding. MCCO will determine the appropriate remediation process prior to December 31, 2019. Pursuant to Indiana State Law IC 36-2-7-5, MCCO will institute a procedure where appropriate documentation will be provided regarding the purpose and circumstances of the use of a personal vehicle for official duties. Once the MCCO Policies and Procedures Manual has been updated to reflect all required remediation internal controls enhancements, the MCCO Policies and Procedure Manual will be reviewed annually for required internal updates and newly implemented policy changes by City-County.

# Clothing Allowance Allocation Included Cell Phone Reimbursement

Number 11

**Finding** 

The 2016 and 2017 annual MCCO employee clothing allowance distribution included cell phone reimbursement. As a result, three (3) MCCO employees with access to City-County cell phones each received \$650.00 as an excess clothing allowance distribution (\$1,950 in total). The criteria used to determine the make-up of each amount paid in 2016 and 2017 was not available and could not be identified. Further, there was no consistency regarding the amount paid to each employee on a monthly, quarterly or annual basis.

Criteria

In 2015, MCCO implemented a uniform policy requiring all employees in MCCO who routinely interact with members of the community and County be required to adhere to a certain dress code. The Uniform and Clothing Allowance Policy outlined the required dress code for MCCO employees when performing City-County related duties. The Uniform and Clothing Allowance Policy, which was dated 2015, also included a \$50.00 per month allowance for employee cell phone reimbursement.

The policy was revised in May of 2018 to exclude the \$50.00 cell phone reimbursement allowance. In addition, the revised policy states the maximum clothing allowance is not to exceed \$500.00 annually per full-time employee and \$300.00 annually for each applicable part-time employee. Administrative Staff may also request reimbursement for clothing if soiled while performing MCCO duties. This is in addition to any employee clothing or uniforms purchased directly through a designated vendor.

#### Recommendation

MCCO should establish clear criteria to be used on a consistent basis when distributing the annual MCCO employee clothing allowance. The supporting documentation should clearly state why the employee is receiving an additional clothing allowance, what items are being covered and the amount. Example: An employee's shoes were damaged and need to be replaced, a new pair cost \$50.00. MCCO management should justify the reason for the amount being spent in the supporting documentation. The criteria used to determine the amount distributed should also be included with the request for payment. Further, prior to making an employee clothing allowance distribution, management should review the amount charged directly to the vendor for uniforms and compare this information to the additional clothing allowance request for reasonableness.

#### **Management Response**

MCCO agrees with the OAP finding and supports the necessity for consistency and managerial detail descriptions for clothing and cell phone allowances. MCCO updated its cell phone policy to be in accordance with the City-County enterprise-wide cell phone policy. MCCO submitted all appropriate documents to the Office of Finance and Management in March 2019. MCCO will work to update the internal policy regarding clothing and cell phone allowance descriptions. MCCO will determine the appropriate remediation process prior to December 31, 2019. Once the MCCO Policies and Procedures Manual is updated to reflect all required remediation internal controls enhancements, the MCCO Policies and Procedures Manual will be reviewed annually for required internal updates and newly implemented policy changes by City-County.

In 2018, OAP performed a cash count of MCCO. Three (3) findings were identified by OAP relating to the MCCO cash reconciliation process. They are outlined below:

**Cash Reconciliation** – OAP conducted a cash count and reviewed internal controls over cash handling at MCCO on July 31, 2018. During the cash count, we found discrepancies with 3 of the 7 objectives. A summary of objectives and related discrepancies are as follows:

- Determine if financial records accurately represent cash and checks on hand.
   Finding: Receipts were not issued and appropriate supporting documentation was not retained for all money collected. Monthly reconciliation of the recorded cash balance, bank balance and general ledger was not completed.
- Determine if deposits of funds are timely and in compliance with IC 5-13-6-1. **Finding:** Cash/Checks were not deposited the business day following the receipt of funds.
- Determine if Standard Operating Procedures (SOPs) exist for the collection and reporting of cash and checks.

**Finding**: Standard Operating Procedures, detailing the processing, recording and posting of transactions, were not maintained.

#### **OBSERVATIONS AND DISCUSSION ITEMS**

When performing the audit of MCCO, OAP made certain *observations* that are being noted as opportunities for further improvements. These are items that *were discussed with MCCO management during the exit interview and/or during the audit process*:

- Marion County Coroner's Office Facility During several walkthroughs at MCCO, a pungent smell was
  detected throughout the facility. MCCO management is addressing this issue with the appropriate parties.
- Cash Returned to the Decedents' Next of Kin OAP observed that cash returned to a decedent's family
  or next-of-kin is not always entered into the system of records by the Deputy Coroners. As a result,
  management was unable to generate an accurate report from the system of record detailing all cash
  collected from the decedent, the amount returned to the decedent's next-of-kin, and any cash balances
  remaining over the course of the audit period January 1, 2016 through June 30, 2018.
  - Management should enhance its internal controls to require all cash collected from the decedent and amounts returned to the next-of-kin be entered into the system of records and verified.
- Decedent Cash Not Monitored/Verified OAP observed that cash collected from a decedent is not "routinely" monitored or verified. Most of a decedent's unclaimed cash is being maintained in a secured locker, which is controlled by the respective Deputy Coroner. Neither the Indiana Code or State Board of Accounts require MCCO to deposit unclaimed decedents cash into a local financial institution within a specified time. Further, the Indiana Code did not intend for MCCO to maintain this cash indefinitely. It is to be transferred to the County Treasurer's office at least annually. However, given the risk associated with the collection of cash combined with the potential that cash may never be claimed, MCCO management should establish an internal control process that ensures the amounts when collected are verified on the scene in writing and that once placed in the secured lockers, the cash is routinely monitored/verified as noted in finding #7. The amount in the system of record could then be tied back to the amount maintained in the respective Deputy Coroner secured lockers. In addition, it is the position of OAP that management segregate the duties. The Deputy Coroner responsible for entering the cash into the system of record should not be charged with verifying the cash contained in his/her secured locker.

• MCCO Staff Reimbursement – Analysis performed by OAP revealed an MCCO employee requested and received reimbursement for purchasing 204 body bags with a personal check amounting to \$1,938 in January 2017, for supplies received by MCCO in November 2016. This is outside of the City-County normal protocol. According to MCCO management, there were no Character 2 appropriations remaining in 2016, the vendor would not provide body bags on credit, and MCCO was out of body bags. According to MCCO management, this was the only option to obtain the supplies as-soon-as-possible to address this "emergency". The City of Indianapolis maintains a Purchase Card (P-card), which can be used to purchase items without going through the formal procurement process. Having access to the P-card would have allowed MCCO to purchase the body bags with City-County funds. However, MCCO indicated that they did not have access to a P-card in 2016. This was confirmed based on OAP's conversations with various City-County managers within OFM. Should this situation occur going forward, OAP strongly suggest that MCCO enhance its procedures to include consulting the OFM Budget Analyst for assistance regarding all available options, which should include use of the P-card. In addition, even in an "emergency" situation, the same employee should not order, receive, and pay for the supplies needed.

It is also suggested that City-County enterprise consider enhancing its employee reimbursement policies and procedures to require additional supporting documentation such as an invoice and/or goods received document, which shows what was purchased, and that the goods were received. A canceled check does not provide this level of detail. These documents when combined, serve to further support the employee's request for reimbursement.

- Fluctuations in Established Expenditure Thresholds Approval Amounts OAP observed several instances where MCCO management's expenditure approval thresholds within PeopleSoft were consistently being revised. This was done so that MCCO could approve expenditures exceeding the initial threshold amount. It was also noted that this process was reviewed and approved by OFM.
- Professional Service Contracts Insurance Extension Verification An analysis performed by OAP of various professional service contracts associated with MCCO revealed that the liability and/or malpractice insurance coverage may expire before the end of the contract period. The "insurance coverage" for three (3) professional service contracts expired before the end of the contract period. According to The City of Indianapolis-Marion County Purchasing Manual, the "Agency" (MCCO) is responsible for completion of all related professional service contracts, which includes ensuring the appropriate insurance requirements are being met. The manual also states that Purchasing is responsible for ensuring insurance coverage verification relating to Competing/Competable (i.e. Janitorial, Mowing, Vending and printing) contracts.

The MCCO management should enhance its written procedures relating to professional service contracts to ensure that the required liability and/or malpractice insurance coverage does not lapse prior to the end of the service contract, and that the insurance expiration dates are routinely monitored for compliance.

- Vouchers Used in Absence of a Contract When analyzing various contractual payments, it was observed that transactions for payment were being posted to PeopleSoft using a voucher with no reference to a contract number and/or no contract number existed. In some cases, a Quantum Meruit Letter was used to authorize payments in the absence of a contract. A Quantum Meruit Letter is designed to be used on rare occasions when the service provider is entitled to payment and the contract has not been finalized or the vendor provided a one-time service and needs to be paid. However, the Quantum Meriut letter was used to authorized multiple payments to vendors without a formal contract. This issue was addressed through MCCO staff training in 2018, but still presented challenges during the audit process.
- Fixed Assets Inventory Procedures There appears to be some inconsistency regarding the City-County Fixed Asset Policy relating to frequency of the inventory and the dollar value of each asset to be inventoried. Example: One City-County document stated all equipment of \$1,000 to \$4,999 (\$300 to \$4,999 for computers and digital cameras) will be recorded in the fixed asset accounting system as "controlled assets" but will not be capitalized on the balance sheet. Yet, it is MCCO management's understanding that only assets with a value of \$2,500 or greater are to be inventoried. This was confirmed

by the City-County Fixed Asset Analyst. The OFM Fixed Asset Policy states fixed assets inventory should be performed every four years. OAP was provided another document which indicated the fixed asset inventory process is performed every five years. City-County enterprise should review these procedures and make the required modifications, which should also include clear instructions regarding the frequency in which fixed asset inventory is performed.

- Storage of Decedents Historical Files During the final walkthrough of the MCCO facility, it was noted that some of the decedents' prior years' files had been removed from the file cabinets and placed in another location of the facility to make room for new files. Typically, these files would be placed in a locked cage in a designated location; this did not occur. MCCO management indicated that there is no room to store the files in the locked cage and is taking the necessary steps to ensure the files are stored in accordance with the state and City-County policy. OAP suggest these files be moved to a secured location as-soon-as-possible. This will further ensure restricted access. Note: Access to the building is secured and once inside the building, access to specified location is restricted and/or limited. Access to all sensitive areas should be restricted to authorized personnel only.
- Marion County Coroner's Office Pathology Continued Medical Education Requirements MCCO Policies and Procedures Manual incorrectly stated that the Coroner/Forensic Pathologist will engage in Continuing Medical Education (CME), for a minimum of 50 hours each year. This does not align with the American Board of Pathology Requirements. According to the American Board of Pathology, the manual should reflect 70 hours of CME training every 2 years, of which 20 hours must be Self-Assessment Modules (SAMs). MCCO initially indicated the policy manual was misstated. It was later determined that MCCO had intended its policy to be more stringent than is required by the American Board of Pathology.

#### **GENERAL CONCLUSION:**

Opportunities were identified for MCCO management to strengthen some of its internal controls regarding compliance with City-County policies, establish criteria to ensure proper allocation of employee clothing allowance, establishing and implementing controls designed to ensure compliance with employee certifications and contractual agreement insurance requirements. Further, opportunities were identified for MCCO management to strengthen its monitoring controls over decedents' property. OAP commends MCCO on the objectives that are being met and we look forward to working with the staff on addressing the findings as outlined above.

# **ACKNOWLEDGEMENT**

The Marion County Coroner's Office Audit

Compiled by Vanessa Mitchell, Auditor II

Compiled by Kolawole Akintola, Audit Manager

Reviewed by Brian Berg, Deputy Director

Reviewed by Kolawole Akintola, Audit Manager

Signing below certifies that you have received, read, and acknowledge the audit report prepared above.

Hope C. Tribble, Director

Office of Audit and Performance

Date

Leeandrea J. M. Sloan, MD/

Marion County Coroner

May October 18, 2019



## **OFM Responses to OAP re: MCCO Audit**

Date: October 1, 2019

To: The Office of Audit and Performance

From: Brett Wineinger, Deputy Controller Administration

Re: Management Response to Marion County Coroner Findings

#### Finding Number 1: Monthly Mileage Log

The Office of Finance and Management (OFM) agrees. OFM will support Indianapolis Fleet Services (IFS) to ensure that IFS continues to semi-annually communicate, review, and enforce applicable City-County fleet policies and procedures.

#### Finding Number 2: Signed Vehicle Usage Agreement

OFM agrees. OFM will support IFS to ensure that IFS continues to semi-annually communicate, review, and enforce applicable City-County fleet policies and procedures.

#### **Finding Number 3: Non-Computation of Fringe Benefits**

OFM agrees. OFM will support IFS to ensure that IFS and the Auditor's Office continue to semiannually communicate, review, and enforce applicable City-County fleet policies and procedures as it relates to computing the value of take home vehicles fringe benefit and submitting this information to the Marion County Auditor's Office payroll division monthly, and in a timely manner in accordance with IRS 15-B.

#### Finding Number 6: Cell Phone Usage Approval

Currently, the Purchasing Division within OFM and Accounts Payable under the Auditor's Office have internal controls on this policy that prevent payments to any person that has not been approved for reimbursement. In addition, OFM will annually audit authorization forms and cross-reference with authorized users to maintain agencies' compliance with OFM's policies. OFM will consult with Human Resources and the Office of Corporation Counsel (OCC) on creating disciplinary actions for agencies or staff who violate the cellphone usage approval process.